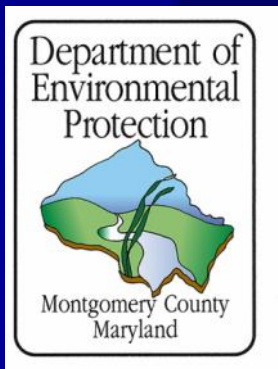


# Montgomery County, Maryland

## 5-cent Carryout Bag Tax Legislation



March 7, 2011



# What is the Carryout Bag Tax?

- A 5-cent charge on all carryout plastic and paper bags from Retail Establishments across the County
  - (includes grocery stores, food vendors, convenience stores, liquor stores, hardware, department, drug stores, among others)
- Individuals can avoid the charge by bringing their own bags
- Retailers can continue with existing supply of bags; they simply charge 5-cents for each bag and may retain 1-cent of the charge
- Effective date: January 1, 2012

# Bags Excluded from the Tax

- pharmacy bags for carrying prescription drugs
- newspaper bag, bag intended for initial use as garbage/petwaste/yardwaste bag (functionally necessary bags)
- bags from a temporary/seasonal stand (e.g. farmer's market stands)
- a paper bag used as a take-away bag from a restaurant/deli/fast-food store



# How the 5¢ fee is used

- The fee is deposited into the County's **Water Quality Protection Charge** fund\*:
  - Used to fund stormwater management in the county
  - Used to implement Trash-control regulatory requirements in the County's MS4 Stormwater Permit
  - Used to protect water quality in County streams and rivers
  - Distribute free, reusable carryout bags to low-income populations
  - Fund community cleanup events

\*After administrative costs



# Why Tax Carryout Bags?

- Charging for bags puts the choice before those who use them.
- Provides 'incentive' to individuals to bring their own bags or to refuse bags for small, consumable purchases.
- Changing public behavior of taking 'free' bags reduces the number of bags in circulation. This reduces bag litter in our waterways.
- Shifts the burden of clean-up costs from taxpayers, to consumers who have a choice to avoid the 5-cent tax by bringing their own bags
- Reduces overhead costs for stocking 'free' bags usually borne by retailers.



# Plastic bags are a significant component of litter in our streams and rivers

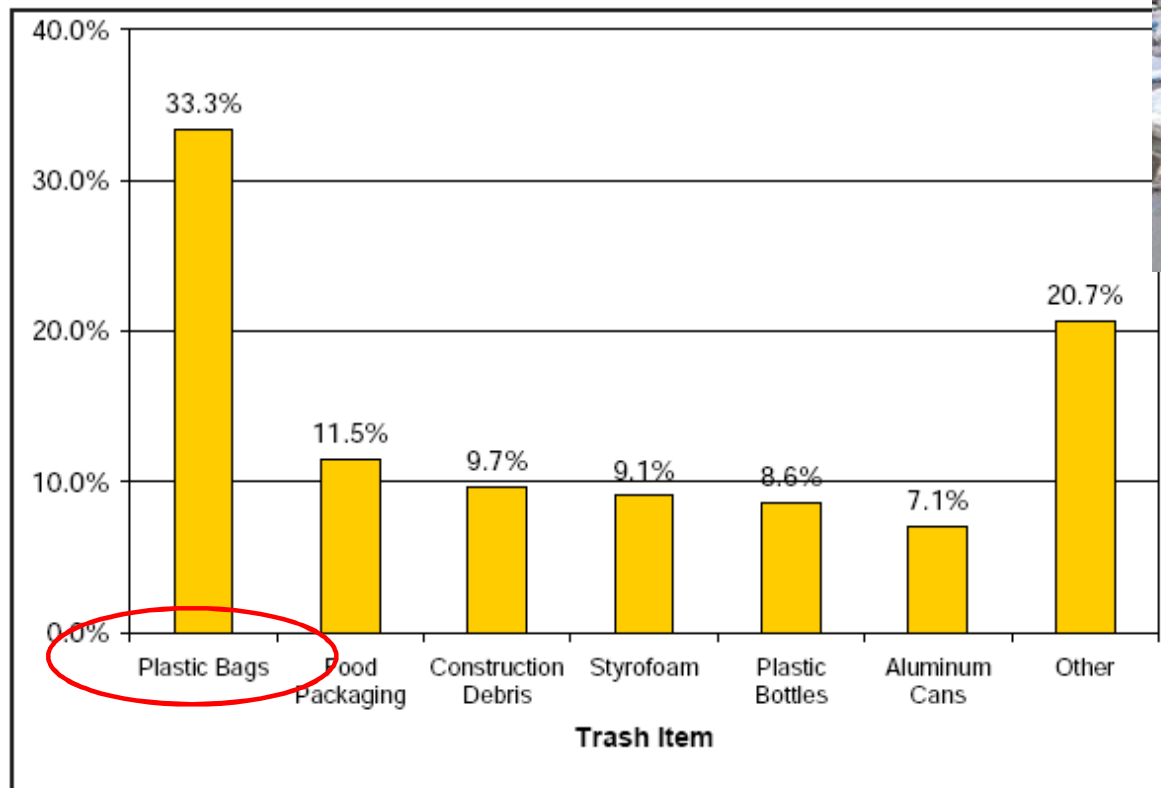
At the regional **Potomac River Watershed Clean-up** a total of 41,122 plastic bags were picked up by volunteers. (2009)



# Plastic bags are a significant component of litter in our streams and rivers



Figure 19 - Stream Summary - Top Six Trash Items Percent of Total



Plastic bags are the most commonly counted pieces of trash in our neighborhood streams.

(Metropolitan Washington Council of Governments, Anacostia Trash TMDL Baseline Study 2009)

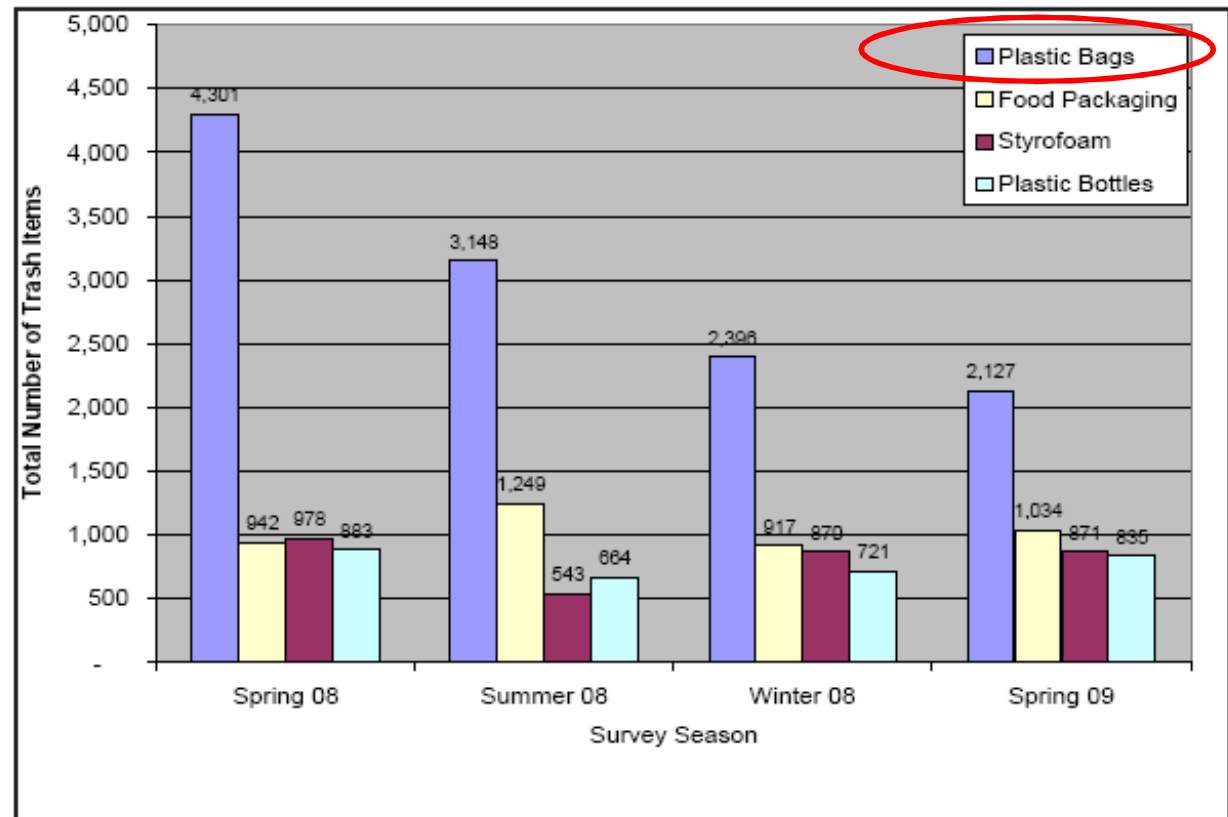
# Plastic bags are a significant component of litter in our streams and rivers

Four floatable trash items—**plastic bags**, **food packaging**, **styrofoam** and **plastic bottles**—account for over 62 percent of the total trash items found in our streams and stormwater controls.

Source:

(Metropolitan Washington Council of Governments, Anacostia Trash TMDL Baseline Study 2009)

**Figure 20 - Selected Floatable Trash Items Per Sampling Season**





# The Cost of Doing Nothing

- Montgomery County agencies already spend **over \$3 million** each year on trash and litter control activities including Code Enforcement, street sweeping and litter clean-up. Revenues from the bag tax can defray this cost currently borne by tax-payers.
- Reducing trash in the Anacostia River is now **a legal requirement** imposed by an EPA-established TMDL study—a pollution budget—which sets a numerical limit on the amount of trash allowed in the river. **Monetary penalties may be imposed for not meeting TMDL limits.**
- Toxins and bacteria carried by bags, pose dangers to public health, wildlife, marine and human health, since Potomac is the County's major **source of drinking water.**
- Unaccounted **lost aesthetic and recreational value** from river trash

# Is a Carryout Bag Tax Effective ?

Does it reduce litter in streams/stormwater controls?

- Neighboring jurisdiction Washington DC has implemented bag bill for over 1 year.
- 2010 Potomac River Watershed Clean up in the region estimates a **66 percent** reduction in the number of plastic bags picked up (after 4 months)
- Washington DC businesses report a reduction in demand of **~50 percent** of bags in the first year.
- Fewer bags in circulation mean reduced litter/trash



# What are impacts on businesses?

- Opinion Works Survey of DC Business owners conducted in 2010 (50 businesses)
- 70 percent of businesses surveyed say no fiscal impact or positive fiscal impact to their bottom line.
- Of 51 businesses surveyed, about 20 percent reported seeing positive effects from the tax including
  - a. less litter around the store, and
  - b. savings on the number of bags they stock to serve customers.
- Reusable bags are a marketing item for retail establishments



# 5-cent Bag Charge: Montgomery County vs. DC

## Montgomery County, MD

- A 5-cent consumer fee on all disposable plastic and paper carryout bags from all Retail Establishments
- Retailers retain 1-cent for each 5-cent bag they sell
- No requirements on retailers to stock specific types of bags; they can continue to use their existing bag supply chains.

## Washington, D.C.

- A 5-cent consumer fee on all disposable plastic and paper carryout bags from Retail Establishments with a food license (In practice, very few are exempt)
- Retailers retain 1-cent for each 5-cent bag they sell
- All bags distributed by DC stores MUST be recyclable according to DC specifications
- Non-recyclable plastic carryout bags are banned
- Bags must be labeled with specific messages in specific lettering

# Preparatory Education, Bag Distribution & Outreach

- Intensive information campaign to retailers
- Continued watershed restoration education
- Outreach campaign that includes:
  - A public-private partnership to provide reusable carryout bags to residents
  - Working with service providers for seniors and low-income residents to distribute multiple reusable bags to households